

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION

Case No. 0:11-CV 60626

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The Law Offices of :  
David J. Stern, P.A. :  
Plaintiff/Counter Defendant, :  
:  
vs. :  
:  
Federal Home Loan :  
Mortgage Corp., :  
Defendant/Counter Plaintiff :  
:  
- - - - - x

VIDEO DEPOSITION OF GRAHAM H. KIDNER  
McLean, Virginia  
Wednesday, August 22, 2012  
10:00 a.m.

1 activities to foreclose people's homes until  
2 they could satisfy themselves and report to us  
3 that they could rely on untainted documentation  
4 amongst other things. There were several  
5 letters.

6 He said more than that, but  
7 essentially we told specific servicers that  
8 they could not proceed on foreclosures on  
9 Freddie Mac files until they had satisfied both  
10 themselves and us that they could proceed  
11 lawfully and relying on accurate and untainted  
12 documentation.

13 And after the number of servicers who  
14 reported or there were reports about them  
15 having similar problems began to grow Freddie  
16 Mac issued general directions to all servicers  
17 along similar lines.

18 Q Why?

19 A Because we didn't want servicers  
20 pursuing foreclosures against borrowers relying  
21 on improper documentation and other  
22 improprieties caused by servicers.

23 Q Why did you provide the servicers the  
24 opportunity to correct affidavits that were  
25 filed robo signed affidavits?

1           A     I am not sure we provided the  
2     opportunity to correct necessarily. We  
3     recognized, I think, that foreclosures had to  
4     -- well, foreclosures were necessary to do  
5     because borrowers had failed to pay their  
6     mortgages would have to proceed in any event.

7                     What we didn't want to have happen is  
8     that those would proceed relying on tainted  
9     documentation and other improprieties so we  
10    recognized the need no continue with  
11    foreclosure activity in those cases where that  
12    was the appropriate course of action, but we  
13    didn't want to have happen is that those  
14    foreclosure activities would continue to  
15    proceed or would proceed relying on false  
16    inappropriate documentation and other improper  
17    practices.

18           Q     Were these servicers supposed to  
19    correct those affidavits that were robo signed  
20    or were inadequate?

21           A     We didn't get into the details with  
22    servicers of what exactly they were supposed to  
23    do. These were issues that were not simply in  
24    Florida.

25                     These were issues that were across a

1 the country. There were improper documents,  
2 improper practices in foreclosures across the  
3 country.

4 We did not know the details  
5 necessarily of what exactly all of those  
6 problems were and where all of those files  
7 were. We did not dictate while specific  
8 actions they had to take or not to take.

9 It was up to the servicers to ensure  
10 that the actions they took that meant at the  
11 end of the day that any foreclosure that they  
12 proceeded to complete will be completed  
13 correctly.

14 Q Did you ever hear of any affidavits  
15 being executed by Jeffrey Steffan in connection  
16 with GMAC acting as is service?

17 A Yes.

18 Q What do you know about that?

19 A I know that there was some, that that  
20 was the GMAC employee. He was the first  
21 servicer that broke cover so to speak on the  
22 robo signing issue and we learned of that  
23 through -- I don't recall exactly how we  
24 learned of it, but we learned of it -- Oh, we  
25 learned of it from one of our designated

1 counsel law firms.

2 Q Was there any direction given by  
3 Freddie Mac to GMAC with regard to those  
4 affidavits?

5 A There was a letter written to GMAC  
6 with regard to them proceeding on Freddie Mac  
7 files relying on improper and tainted  
8 documentation amongst other things.

9 They didn't to my knowledge  
10 specifically reference Jeffrey Steffan, but it  
11 referenced a series of alleged improper  
12 activities that GMAC may have been relying on  
13 in order to prosecute foreclosure actions.

14 Q Did Freddie Mac tell GMAC to correct  
15 those problems?

16 A I am not sure that Freddie Mac  
17 exactly told them to correct the problem.  
18 Again, Freddie Mac told GMAC, and this is from  
19 memory that they could not proceed to prosecute  
20 foreclosure actions relying on any tainted  
21 documentation or improper practices.

22 Q Why didn't Freddie Mac terminate  
23 GMAC?

24 A I don't know. That is not an area  
25 that I had any involvement with. I am not